

## UAE Trade Pact opens new market opportunities for Vietnam's food exporters

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**Strong food-import demand in the UAE offers potential for Vietnamese agricultural products, provided exporters meet Halal, quality and origin requirements**



Vietnamese exporters are being urged to leverage a trade agreement with the United Arab Emirates (UAE) to expand their presence across the Gulf, the wider Middle East and Africa, as businesses seek new markets amid global trade uncertainty. The Comprehensive Economic Partnership Agreement (CEPA) between Vietnam and the UAE took effect on February 3, 2026, offering Vietnamese businesses preferential access to one of the region's key consumer markets and trade logistics hubs.

At a seminar held in Ho Chi Minh City on October 23, the city's Investment and Trade Promotion Centre (ITPC), in collaboration with the Agency of Foreign Trade under the Ministry of Industry and Trade, briefed businesses on tariff commitments, rules of origin and market access opportunities. Lê Anh Hoàng, deputy director of ITPC, said export-market diversification and more effective use of trade agreements had become increasingly important in an uncertain global trading environment. He described the UAE as both a promising destination for Vietnamese products and a gateway to the Gulf Cooperation Council (GCC), the wider Middle East and Africa.

Bilateral trade between Vietnam and the UAE reached approximately \$6.6 billion in 2025, including more than \$5.9 billion in Vietnamese exports, according to customs data cited at the seminar. In the first half of 2026, two-way trade totalled \$3.2 billion, up 0.2 per cent year-on-year. However, Vietnamese exports to the UAE declined 16.4 per cent over the same period, underscoring the need to strengthen market access and competitiveness.

### **Tariff Preferences Offer a Competitive Edge**

Under the agreement, the UAE committed to eliminating tariffs on 74.2 per cent of tariff lines immediately, with coverage rising to 89.2 per cent after five years. These concessions could improve the competitiveness of Vietnamese goods across several export categories. However, tariff reductions alone will not guarantee new orders. Exporters must also meet rules of origin,

certification requirements, product-quality standards and distribution regulations.

Phạm Bình An, former deputy director of the Ho Chi Minh City Institute for Development Studies, highlighted opportunities for Vietnamese agricultural and food businesses. The UAE's gross domestic product reached \$518 billion in 2025, with non-oil activities accounting for 77 per cent of economic output. Limited agricultural land means the country imports an estimated 85–90 per cent of its food requirements. Yet access to this market involves more than favourable duties. Exporters must navigate technical regulations, sanitary and phytosanitary requirements and Halal standards.

Halal compliance requires controls across the supply chain, from raw-material sourcing and production to storage and transportation. Certification must also be recognised by the relevant UAE authorities. Businesses must verify their trading partners and understand that goods re-exported from the UAE to third countries do not automatically qualify for preferential treatment under the bilateral agreement.

### **UAE as a Launchpad for Regional Expansion**

Trần Xuân Trung, head of the Vietnam Trade Office in the UAE, recommended a phased approach to international expansion: establish a foothold in the UAE, extend operations into other GCC markets, and then pursue opportunities across the wider Middle East and Africa. The UAE could serve as an initial testing ground for Vietnamese agricultural produce, processed foods, textiles, footwear and furniture. Exporters can assess consumer demand, establish brand recognition and develop relationships with importers before committing to broader regional expansion.

Potential distribution models include direct exports, partnerships with UAE-based intermediaries and local warehousing. Long-term relationships with importers, retail chains, logistics providers and e-commerce platforms will be important in building a sustainable market presence. However, regional expansion will require country-specific strategies rather than treating the Middle East and Africa as a single market. Consumer preferences, import regulations, logistics costs and distribution structures vary across destinations.

### **Rules of Origin Remain Critical**

At the seminar, Trần Ngọc Bình, head of Regional Import-Export Management Division III under the Agency of Foreign Trade, outlined provisions governing preferential access under the agreement. Under the rules discussed, a commonly applied qualifying value-content threshold is 35 per cent, while a de minimis provision allows non-originating materials to account for up to 20 per cent of ex-works value. Bilateral cumulation provisions could further support eligible exporters by allowing qualifying inputs from the partner country to be considered under the applicable origin rules.

These provisions could help textile, garment and footwear manufacturers structure their supply chains to qualify for preferential tariffs. The agreement also provides for electronic certificates of origin, retrospective issuance and self-certification for eligible exporters. Businesses will nevertheless need to verify product-specific origin requirements and documentation procedures before claiming tariff preferences.

### **Export Promotion Focuses on Four Product Groups**

Trần Xuân Trang, head of ITPC's Foreign Trade Development Promotion and Domestic Market Division, said the UAE was Vietnam's largest trading partner in West Asia, accounting for more than half of the country's exports to the region. Despite the opportunity, Vietnamese businesses face high transportation costs, long shipping times, technical and Halal compliance requirements, international payment risks and gaps in market intelligence.

ITPC plans to develop a longer-term trade promotion strategy covering four product groups: agricultural and processed foods; textiles and garments; footwear; and consumer goods and wooden furniture. The centre also plans to provide specialised training on Halal standards, international supply chains and trade agreements, alongside updated market information. Further support will include participation in major trade exhibitions in Dubai and Cairo, business-matching initiatives and digital trade connections.

For Vietnamese exporters, the next phase will be turning the agreement's tariff concessions into commercially sustainable trade. Competitive pricing, regulatory compliance, reliable distribution and carefully selected regional partners will determine whether the UAE becomes a durable platform for wider expansion across the Middle East and Africa.